Tech Mahindra

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	TECHM IN
Equity Shares (m)	980
M.Cap.(INRb)/(USDb)	1480.2 / 15.4
52-Week Range (INR)	1854 / 1304
1, 6, 12 Rel. Per (%)	4/-3/-2
12M Avg Val (INR M)	3329

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	568	641	692
EBIT Margin (%)	12.6	14.8	14.8
Adj. PAT	50.1	73.2	82.2
Adj. EPS (INR)	56.5	82.4	92.5
PAT	48.1	73.2	82.2
EPS (INR)	54.2	82.4	92.5
EPS Gr. (%)	13.1	52.1	12.2
BV/Sh. (INR)	334.2	346.7	360.5
Ratios			
RoE (%)	17.6	24.3	26.2
RoCE (%)	21.4	26.7	27.6
Payout (%)	90.3	85.0	85.0
Valuations			
P/E (x)	26.7	18.3	16.3
P/BV (x)	4.5	4.4	4.2
EV/EBITDA (x)	14.3	11.2	10.3
Div Yield (%)	3.4	4.6	5.2

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	35.0	35.0	35.0
DII	37.5	38.0	32.3
FII	18.6	17.9	23.0
Others	8.9	9.1	9.8

FII Includes depository receipts

CMP: INR1,510 TP: INR1,900 (+26%) Buy

Growth moving up a gear

FY27 growth visibility improves; margins on track

- Tech Mahindra (TECHM) reported 1QFY27 revenue of USD1.7b, up 2.6% QoQ in CC, above our estimate of 1% CC growth. Retail/BFSI/Manufacturing rose 1.2%/2.7%/9.0% QoQ, while Technology/Communication declined 1.7%/1.3% QoQ (in USD terms). EBIT margin was up 60bp QoQ at 14.4%, in line with our estimate of 14.3%.
- Adj. PAT stood at INR15b (up 8.2% QoQ/28.5% YoY), below our estimate of INR18b. NN deal TCV of USD1,078m was up 0.5% QoQ/up 33.3% YoY.
- In INR terms, revenue/EBIT/adj. PAT grew 17.7%/53.3%/28.4% YoY in 1QFY27. In 2QFY27, we expect revenue/EBIT/adj. PAT to grow by 13.6%/33.7%/54.2% YoY. **We value TECHM at 20x FY28E EPS with a TP of INR1,900 (26% upside) and reiterate our BUY rating. TECHM remains our preferred pick among large-cap IT companies.**

Our view: Deal ramp-up provides near-term growth momentum

- **Strong results in a seasonally weak quarter; above-peer growth looks increasingly achievable:** We believe this quarter brings a material step-up in TECHM's growth trajectory, **with growth expectations moving from ~3-5% to ~6-7% over the next couple of years**. If this momentum sustains, it could warrant another round of re-rating. In this quarter, TECHM delivered strong results in a seasonally weak quarter, driven by strength across all key verticals. We believe this performance puts the company **on track to be the fastest-growing company among large-cap IT** names in FY27, with ~6-7% growth vs. ~2-3% for most large-cap peers.
- **The company's execution in a tricky demand environment has been commendable.** Despite potential sequential softness in auto after the strong 1Q performance, we expect the ramp-up of recently won telecom deals, along with continued strength in BFSI, to help keep the growth momentum intact. Management also **reiterated its confidence in delivering above-peer growth in FY27.**
- **Vertical mix improving:** Communications, which was a drag on revenue over the past two years, is now becoming a tailwind. Management expects further improvement as one of the recently won telecom deals starts ramping up from 2Q. **BFSI continues to see healthy demand in payments modernization** and wealth platforms, and Manufacturing remains supported by aerospace, though **auto could moderate after the accelerated European program in 1Q**. Overall, growth is becoming more broad-based across verticals**.**
- **Margins continue to expand; 15% target now in sight:** EBIT margin expanded for the 11th consecutive quarter to 14.4%, **keeping the company on track to achieve its FY27-exit margin target of ~15%. While phased wage hikes from 2QFY27 and continued investments** in AI remain near-term headwinds, management continues to see room for further margin improvement. We, therefore, keep our margin estimates broadly unchanged and build in 14.8% EBIT margin for FY27.

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- **Anchor client growth remains one to watch:** Growth remained soft across the top-5, top-10 and top-20 client buckets, suggesting that spending from some of the larger accounts is yet to recover meaningfully. **While management indicated no unusual deal ramp-up delays or contract cancellations**, sustained recovery in anchor client spending remains an important monitorable for growth beyond the current large-deal ramp-up cycle.
- **We meaningfully raise our revenue estimates; EPS largely unchanged:** We meaningfully upgrade our revenue estimates (7.1%/7.6% YoY CC now vs. 4.6%/5.2% YoY CC earlier for FY27E/FY28E) to reflect better-than-expected execution and improving growth visibility. However, **our margin estimates remain broadly unchanged**, while hedging losses largely offset the earnings upgrade, resulting in minimal change to our EPS estimates.

Valuation and change in estimates

- The ongoing turnaround under the new leadership continues to track well and this quarter was another step in the right direction. With above-peer growth looking increasingly achievable, we continue to like TECHM's bottom-up turnaround story.
- We raise our FY27E/FY28E organic CC revenue growth estimates to 7.1%/7.6% (vs. 4.6%/5.2% earlier), reflecting stronger-than-expected execution, healthy deal ramp-ups and improving growth visibility. However, we keep our FY27E EBIT margin estimate broadly unchanged at 14.8%. Consequently, hedging losses largely offset the earnings upgrade, resulting in minimal change to our EPS estimates. **We value TECHM at 20x FY28E EPS with a TP of INR1,900 (26% upside) and reiterate our BUY rating. TECHM remains our preferred pick among large-cap IT companies.**

Beat on revenue and margins in line with our estimates; healthy deal TCV growth

- Revenue stood at USD1.7b, up 2.6% QoQ CC (up 2.2% QoQ in USD terms) above our estimates of 1% QoQ CC growth.
- IT service rose 2.6% QoQ and BPS was flat QoQ. Americas declined 0.1%, while Europe grew 8.1% QoQ.
- Retail/BFSI/Manufacturing rose 1.2%/2.7%/9% QoQ, Technology/Communication declined 1.7%/1.3% QoQ (in USD terms).
- EBIT margin was up 60bp QoQ at 14.4%, in-line with our estimates of 14.3%.
- Net employee reduction of 688 (down 0.9% QoQ). Utilization (ex. trainees) was up 90bp QoQ at 87%. LTM attrition was down by 30bp at 11.8%.
- New Deal TCV was USD1,078m, up 0.5% / 33.3% QoQ/YoY.
- Adj. PAT stood at INR15b (up 8.2% QoQ/28.5% YoY), below our estimate of INR18b.
- FCF conversion to PAT stood at 108% vs. 68% in 4QFY26.

Key highlights from the management commentary

- Management termed the environment cautiously optimistic, citing intense but at times irrational competitive pricing (aggressive productivity commitments on long-tenure deals, fixed pricing despite rising chip/memory costs).
- Management reiterated confidence in achieving above-peer-average growth and a 15% operating margin for FY27, the final year of its three-year transformation plan.

- Management characterized the demand environment as stable at the core, though the mix is shifting – legacy application development is giving way to modernization and platform-led demand (ServiceNow, SAP, Salesforce).
- Management flagged large deals as binary and difficult to forecast beyond 1-2 quarters, though the pipeline remains healthy.
- No unusual signs of ramp-up delays or contract cancellations; occasional client queries on insourcing vs. outsourcing, but nothing outside historical norms.

Quarterly Performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(% / bp)
Revenue (USD m)	1,564	1,586	1,610	1,625	1,660	1,683	1,717	1,725	6,385	6,785	1,640	1.2
QoQ (%)	1.0	1.4	1.5	0.9	2.2	1.4	2.0	0.5	1.9	6.3	0.9	125bp
Revenue (INR b)	134	140	144	151	157	159	162	163	568	641	155	1.2
YoY (%)	2.7	5.1	8.3	12.6	17.7	13.6	12.6	8.1	7.2	12.8	16.3	142bp
GPM (%)	28.7	29.1	30.3	31.0	30.5	30.0	30.0	31.0	29.8	30.4	30.5	-4bp
SGA (%)	14.2	13.7	13.9	14.0	13.0	12.5	12.0	12.0	13.9	12.4	13.0	1bp
EBITDA	19	22	24	26	27	28	29	31	90	115	27	1.0
EBITDA Margin (%)	14.5	15.5	16.4	17.0	17.5	17.5	18.0	19.0	15.9	18.0	17.5	-5bp
EBIT	15	17	19	21	23	23	24	26	72	95	22	2.0
EBIT Margin (%)	11.1	12.1	13.1	13.8	14.4	14.3	14.8	15.8	12.6	14.8	14.3	11bp
Other income	1	0	-1	-3	-2	2	2	2	-3	3	1	-333.7
ETR (%)	30.2	27.5	25.3	24.2	27.2	24.5	24.5	24.5	26.7	25.1	24.5	265bp
Adj. PAT	11	12	13	14	15	18	19	21	50	73	18	-16.4
QoQ (%)	-2.2	4.7	10.9	2.2	8.2	25.7	5.3	6.8			29.4	-2121bp
YoY (%)	34.0	-4.4	34.7	16.0	28.4	54.2	46.5	53.1	17.9	46.0	53.6	-2517bp
Extra-Ordinary Item	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	
Reported PAT	11	12	11	14	15	18	19	21	48	73	18	-16.4
EPS (INR)	12.9	13.5	14.9	15.2	16.5	20.7	21.8	23.3	56.5	82.4	19.7	-16.4

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Revenue (QoQ CC %)	-1.4	1.6	1.7	0.6	2.6	
Margins (%)						
Gross Margin	28.7	29.1	30.3	31.0	30.5	29.8
EBITDA margin	14.5	15.5	16.4	17.0	17.5	15.9
EBIT Margin	11.1	12.1	13.1	13.8	14.4	12.6
Net Margin	8.5	8.5	9.2	9.0	9.3	8.8
Operating Metrics						
Headcount (k)	149	153	150	148	147	149
Util excl. trainees (%)	85.0	84.4	86.6	86.1	87.0	85.8
Attrition (%)	12.6	12.8	12.3	12.1	11.8	12.6
Deal TCV (USD m)	809	816	1096	1073	1078	2,955
Key Verticals (QoQ %)						
Communication	2.8	-1.9	2.8	1.8	-1.2	2.5
Enterprise	0.1	3.1	1.1	0.3	3.8	1.7
Key Geographies (QoQ%)						
North America	2.6	2.6	3.1	-0.9	-0.1	0.2
Europe	3.4	-0.9	2.3	2.5	8.0	8.9

CONFERENCE CALL

Highlights from the management commentary

1QFY27 performance and demand outlook

- Management termed the environment cautiously optimistic, citing intense but at times irrational competitive pricing (aggressive productivity commitments on long-tenure deals, fixed pricing despite rising chip/memory costs).
- Management reiterated confidence in achieving above-peer-average growth and a 15% operating margin for FY27, the final year of its three-year transformation plan.
- Management characterized the demand environment as stable at the core, though the mix is shifting – legacy application development is giving way to modernization and platform-led demand (ServiceNow, SAP, Salesforce).
- Management flagged large deals as binary and difficult to forecast beyond 1-2 quarters, though the pipeline remains healthy.
- No unusual signs of ramp-up delays or contract cancellations; occasional client queries on insourcing vs. outsourcing, but nothing outside historical norms.
- **Communications** grew 1.3% YoY, aided by stability in key accounts and ramp-up of prior large deals; QoQ growth was softer due to Comviva seasonality and a one-time cloud pass-through reversal from a client undergoing M&A (to normalize in 2Q). One of the two recently won large deals has not yet started ramping, implying further upside in coming quarters.
- Management remains positive on Comms for the rest of FY27, despite volatility at a large US telecom client.
- **BFSI** grew 8.1% YoY and 2.7% QoQ, led by payments modernization, wealth platforms, regulatory compliance and AI-led transformation. Announced the acquisition of Avanteus (Canada-based), strengthening payments and wealth capabilities – seen as a structurally high-growth segment growing faster than traditional IT services.
- **Manufacturing** delivered the strongest vertical growth at 17.2% YoY/9% QoQ, led by aerospace momentum and earlier-than-planned execution on a European automotive program (a ~130bp one-time tailwind, expected to reverse partially in 2Q). Auto demand remains mixed as cost/productivity pressure persists, but US auto weakness from last year is showing signs of recovery; auto-finance sub-segment showed resilience.
- **Europe** was a key growth driver this quarter, led by the accelerated automotive program delivery and an expanded multi-year AI-first private cloud partnership with Telefónica Germany.
- Growth was broad-based, with all verticals delivering positive YoY growth; management guided to sustaining above-peer-average growth for FY27.
- 1QFY27 revenue came in at USD1.66b, up 6.1% YoY (reported) and 6.6% YoY in CC – the strongest revenue growth since the start of the transformation journey.
- Key wins included: a US regional healthcare system (apps + infra managed services), an autonomous driving technology company (HD mapping/GIS), a global aerospace & defense major (database administration), and a global payments technology company (product engineering).
- Wins were broad-based across verticals/geographies, with the largest contributions from Manufacturing and BFSI.
- Management guided to resume hiring (fresh + lateral mix) for the remainder of FY27 given the healthy revenue growth trajectory.
- IT services headcount declined ~7% YoY, driven by AI-led productivity gains in the large fixed-price portfolio rather than demand weakness; surplus capacity was redeployed across engagements.

- Launched the Agentic Development and Modernization Services portfolio, embedding agentic AI across the application lifecycle under Project Helix.
- 350+ deployable AI agents built across industry/functional use cases; Orion (enterprise agentic AI platform) has 20+ agents listed on the Google Gemini Marketplace with 100+ active users.
- 65%+ of associates certified under the AI belt program; 70% of eligible developers now enabled to code alongside AI tools; 100+ productivity benchmarks established across SDLC.
- Notable AI-led wins: a healthcare digital operations deal (targeting ~40% fewer tickets, 20% lower MTTR, 30-35% reduction in technical debt), a telecom managed-operations deal (targeting doubled release velocity, ~40% reduction in incident handling effort), and the largest BPS deal of the quarter - a marquee AI operations engagement with a large hi-tech client, where AI-related work formed the majority of BPS deal TCV.
- Partnered with Perplexity, deploying Perplexity Enterprise Pro across sales/client-facing teams.

Margin performance

- EBIT margin came in at 14.4%, up 60bp QoQ and 330bp YoY – the 11th consecutive quarter of margin expansion.
- Expansion driven by volume growth and Project Fortius savings, partly offset by seasonality (visa/travel costs) and business mix (dilutive impact from the accelerated European auto delivery).
- EBIT stood at USD238m/INR22b, up 53.3% YoY in INR terms.
- Management reiterated the FY27-exit target of 15% margin, calling out the upcoming wage hike (effective 2Q, phased) and AI-led productivity pressure as headwinds still to be absorbed.
- PAT was USD154m/INR14b, up 16.2% YoY, with PAT margin at 9.3%, up 80bp YoY; effective tax rate at 27.2%.
- Wage hikes to be effective in 2QFY27; rolled out in a phased manner.
- Free cash flow generation was USD167m, up 94% YoY; DSO improved to 84 days, down by 5 days QoQ (aided partly by one-off accelerated collections and FX, expected to normalize).

Exhibit 1: Manufacturing-led growth in 1QFY27

Verticals	Contribution to revenue (%)	Growth (QoQ %)
Comm., Media, and Ent.	32.3	-1.2
Manufacturing	19.3	8.9
Technology	12.9	-2.4
BFSI	16.7	2.8
Retail, Transport, and Logistics	8.1	0.9
Others	3.4	19.8

Exhibit 2: Europe showed strong sequential growth

Geographies	Contribution to revenue (%)	Growth (QoQ %)
Americas	48.6	-0.1
Europe	27.5	8.0
Rest of the World	23.9	0.5

Valuation and view

- The ongoing turnaround under the new leadership continues to track well and this quarter was another step in the right direction. With above-peer growth looking increasingly achievable, we continue to like TECHM's bottom-up turnaround story.
- We raise our FY27E/FY28E organic CC revenue growth estimates to 7.1%/7.6% (vs. 4.6%/5.2% earlier), reflecting stronger-than-expected execution, healthy deal ramp-ups and improving growth visibility. However, we keep our FY27E EBIT margin estimate broadly unchanged at 14.8%. Consequently, hedging losses largely offset the earnings upgrade, resulting in minimal change to our EPS estimates. **We value TECHM at 20x FY28E EPS with a TP of INR1,900 (26% upside) and reiterate our BUY rating. TECHM remains our preferred pick among large-cap IT companies.**

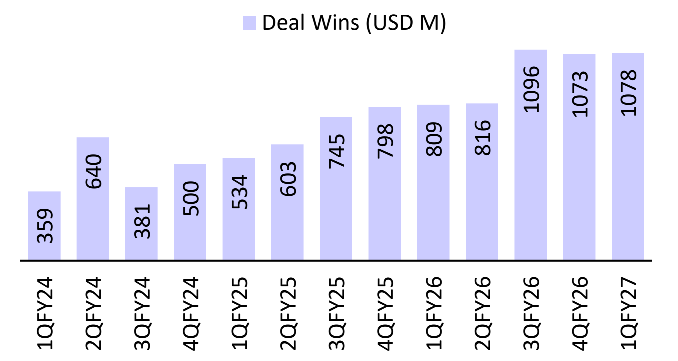
Exhibit 3: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	94.6	94.5	94.6	0.0%	0.0%
USD Revenue (m)	6,785	7,288	6,652	6,983	2.0%	4.4%
YoY CC Growth (%)	7.1	7.6	4.6	5.2	240bps	240bps
EBIT margin (%)	14.8	14.8	14.8	14.8	0bps	0bps
Adj. PAT (INR b)	73	82	73	79	-0.2%	4.3%
Adj. EPS	82.4	92.5	82.6	88.6	-0.2%	4.4%

Source: MOFSL, Company

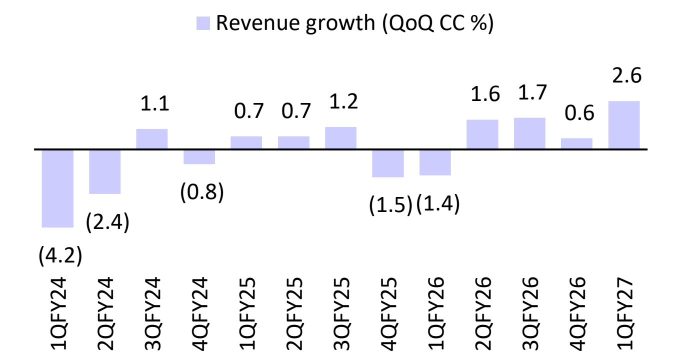
Story in charts

Exhibit 4: Net new deals continue to grow, up 33.3% YoY



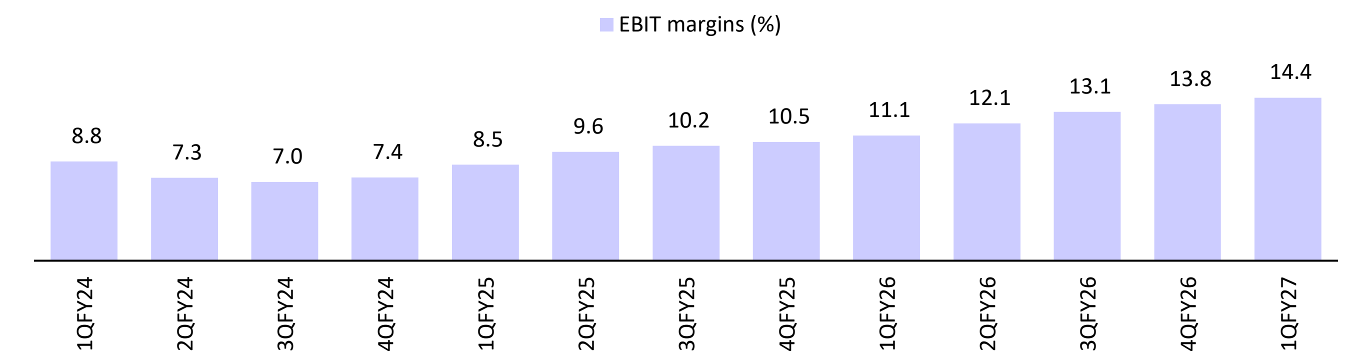
Source: Company, MOFSL

Exhibit 5: Revenue grew robustly at 2.6% QoQ CC



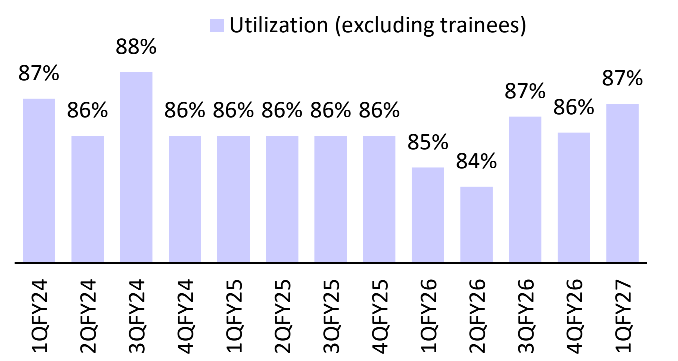
Source: Company, MOFSL

Exhibit 6: TECHM continues margin expansion story, expected to exit FY27 around 15% margin.



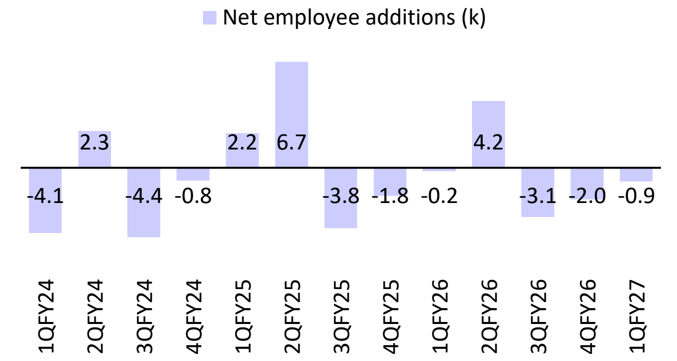
Source: Company, MOFSL

Exhibit 7: Utilization increased ~100bp



Source: Company, MOFSL

Exhibit 8: Headcount declined 688 in 1QFY27



Source: Company, MOFSL

Exhibit 9: Operating metrics

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue by Geography (%)									
Americas	52.4	51.1	50.8	48.4	49.2	49.8	50.6	49.7	48.6
Europe	23.4	24.0	23.6	25.4	26.0	25.4	25.6	26.0	27.5
Rest of World	24.2	24.9	25.6	26.2	24.8	24.8	23.9	24.3	23.9
Vertical Split (%)									
Telecom	33.1	33.4	32.5	33.2	33.8	32.7	33.1	33.4	32.3
Manufacturing	18.3	17.2	16.8	17.0	17.5	18.1	18.3	18.1	19.3
Tech | Media | Entertainment	13.8	14.3	14.3	13.2	13.3	13.1	13.2	13.5	12.9
BFSI	15.7	15.8	16.1	16.7	16.4	16.8	15.5	16.6	16.7
Retail | Transport | Logistics	7.7	7.9	8.1	8.1	7.9	8.5	8.7	8.2	8.1
Others	11.4	11.4	12.2	11.8	11.1	10.8	11.2	2.9	3.4
No. of Million $ clients									
USD1m+	545	545	540	540	529	520	521	512	499
USD5m+	191	195	191	195	193	194	196	194	194
USD10m+	113	109	104	106	108	106	111	112	115
USD20m+	61	61	61	59	60	63	64	66	66
USD50m+	24	25	25	25	26	26	28	29	33
Client concentration (%)									
Top 5 Clients	15	15	15	16	16	16	15	15	15
Top 6-10	10.0	10.0	9.0	9.0	9.2	8.7	9.1	9.4	9.3
Top 11-20	13.0	14.0	14.0	13.7	13.8	12.8	13.4	13.7	13.3
Headcount									
Software professionals	80,417	80,618	80,865	80,609	79,987	78,528	76,194	75,377	74,689
BPO	58,177	64,940	61,053	59,636	60,278	66,095	65,450	64,330	64,080
Sales and support	9,026	8,715	8,570	8,486	8,252	8,091	7,972	7,916	7,991
Total	1,47,620	1,54,273	1,50,488	1,48,731	1,48,517	1,52,714	1,49,616	1,47,623	1,46,760
IT Attrition (LTM %)	10	11	11	12	13	13	12	12	12
IT Utilization (%)	86	86	86	86	85	84	87	86	87
IT Utilization (excl. trainees)	86	86	86	86	85	84	87	86	87
DSO - incl. unbilled	93	94	88	88	95	94	90	89	84
Borrowings (USD m)	127	116	109	55	29	30	14	7	7
Cash and Cash Equivalent (USD m)	966	784	799	896	941	821	853	892	1026
Capital Expenditure (USD m)	13	16	20	20	NA	NA	NA	NA	NA

*Note: Company has discontinued reporting; Source: Company, MOFSL

Financials and valuations

Income Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**446**	**533**	**520**	**530**	**568**	**641**	**692**
Change (%)	17.9	19.4	-2.4	1.9	7.2	12.8	8.0
COGS	310	381	391	381	399	446	480
Gross Profit	**137**	**152**	**129**	**149**	**169**	**195**	**212**
SGA expenses	57	71	71	79	79	79	87
EBITDA	**80**	**80**	**58**	**70**	**90**	**115**	**125**
% of Net Sales	18.0	15.1	11.1	13.2	15.9	18.0	18.1
Depreciation	15	20	18	19	19	20	23
EBIT	**65**	**61**	**40**	**51**	**72**	**95**	**103**
% of Net Sales	14.6	11.4	7.6	9.7	12.6	14.8	14.8
Other Income	10	6	5	5	-3	3	5
PBT	**75**	**67**	**45**	**56**	**68**	**98**	**108**
Tax	18	16	8	14	18	24	26
Rate (%)	24.4	23.7	18.5	24.8	26.7	25.1	24.0
Minority interest	1	1	0	0	0	0	0
Share from associates	0	0	0	0	0	0	0
Extraordinary Items (EO)	0	-2	-13	0	2	0	0
Adjusted PAT	**56**	**51**	**36**	**43**	**50**	**73**	**82**
Change (%)	22.1	-8.9	-28.5	17.4	17.9	46.0	12.2

Balance Sheet							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	4	4	4	4	4	4	4
Reserves	264	275	262	269	292	303	315
Net Worth	**269**	**279**	**267**	**274**	**296**	**307**	**320**
Minority Interest	5	5	5	4	5	5	5
Loans	16	16	15	5	1	1	1
Other LT liabilities	36	31	23	28	36	40	42
Amount pending invest.	12	12	12	12	12	12	12
Capital Employed	**338**	**343**	**322**	**323**	**349**	**365**	**379**
Assets	**149**	**149**	**139**	**140**	**149**	**149**	**148**
Investments	4	6	5	3	1	1	1
Other non-current assets	50	62	56	66	68	77	83
Curr. Assets	**245**	**244**	**234**	**237**	**276**	**298**	**318**
Debtors	75	81	71	65	75	86	93
Cash & Bank Balance	38	41	43	43	50	45	47
Investments	46	30	32	31	34	49	64
Other Current Assets	86	93	88	97	116	118	114
Current Liab. & Prov	**111**	**119**	**112**	**122**	**144**	**161**	**171**
Net Current Assets	**134**	**126**	**122**	**115**	**131**	**138**	**147**
Application of Funds	**338**	**343**	**322**	**323**	**349**	**365**	**379**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
EPS	**63.4**	**57.6**	**41.0**	**48.0**	**56.6**	**82.6**	**92.7**
Diluted EPS	**62.9**	**57.3**	**40.9**	**47.9**	**56.5**	**82.4**	**92.5**
Cash EPS	80.0	76.7	47.2	68.8	75.4	105.3	118.3
Book Value	306.0	317.1	302.1	309.0	334.2	346.7	360.5
DPS	45.0	50.0	40.0	45.0	51.0	70.1	78.6
Payout (%)	71.6	87.3	97.7	93.9	90.3	85.0	85.0
Valuation (x)							
P/E ratio	23.8	26.2	36.8	31.5	26.7	18.3	16.3
Cash P/E ratio	18.9	19.7	32.0	21.9	20.0	14.3	12.8
EV/EBITDA ratio	16.3	16.3	22.6	18.6	14.3	11.2	10.3
EV/Sales ratio	2.9	2.4	2.5	2.5	2.3	2.0	1.9
Price/Book Value	4.9	4.8	5.0	4.9	4.5	4.4	4.2
Dividend Yield (%)	3.0	3.3	2.6	3.0	3.4	4.6	5.2
Profitability Ratios (%)							
RoE	21.5	18.5	13.3	15.7	17.6	24.3	26.2
RoCE	21.0	18.6	12.4	16.4	21.4	26.7	27.6
Turnover Ratios							
Debtors (Days)	61	56	50	45	48	49	49
Fixed Asset Turnover (x)	3.0	3.6	3.7	3.8	3.8	4.3	4.7
Leverage Ratio							
Debt/Equity Ratio (x)	0.1	0.1	0.1	0.0	0.0	0.0	0.0

Cash Flow Statement **(INR b)**

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
CF from Operations	67	74	51	61	77	94	105
Change in Working Capital	-14	-18	13	-3	-15	-1	4
Net Operating CF	**53**	**56**	**64**	**58**	**62**	**93**	**108**
Net Purchase of FA	-8	-10	-7	-5	-5	-21	-22
Free Cash Flow	**45**	**46**	**56**	**53**	**56**	**72**	**86**
Net Purchase of Invest.	13	7	-6	5	1	-15	-15
Net Cash from Invest.	**5**	**-3**	**-13**	**0**	**-4**	**-36**	**-37**
Inc./(Dec.) in Equity	1	0	0	0	0	0	0
Proceeds from LTB/STB	-8	-9	-9	-20	-11	0	0
Dividend Payments	-40	-43	-39	-38	-40	-62	-70
Cash Flow from Fin.	**-47**	**-51**	**-48**	**-58**	**-51**	**-62**	**-70**
Other adjustments	0	1	0	0	1	0	0
Net Cash Flow	**11**	**3**	**3**	**0**	**7**	**-5**	**1**
Opening Cash Balance	**27**	**38**	**41**	**43**	**43**	**50**	**45**
Add: Net Cash	11	3	3	0	7	-5	1
Closing Cash Balance	**38**	**41**	**43**	**43**	**50**	**45**	**47**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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